

**MINUTES OF THE
GOVERNOR'S BOARD OF ECONOMIC DEVELOPMENT**
July 14, 2011 • 10:00 a.m.
Utah Ski and Snowboard Association
USSA
1 Victory Lane
Park City, UT

Members Present: Jake Boyer, Jack Brittain (phone), Stanley Ellington (phone), Mel Lavitt, Jerry Oldroyd, Lowry Snow, Kate Riggs, Cliff White

Members Absent: Rob Adams, Amy Anderson, Mike Dowse, Molonai Hola, Peter Mouskondis, Sam Granato

Visitors: Matt Piccolo, Andrew Kirk, Tyler Cobb, Aaron Phipps, Todd Brightwell, Mimi Davis, Marshall Moore, Jeff Edwards, Ricki Flores, Brad Beard, Joanna Bell, Dan Shephard, Bill Marolt, Ian Griffith, Ted Ligety, Liz Stephen, Noah Hoffman, Shannon Bahrke

Staff: Jenni Osman, Spencer Eccles, Chris Conabee, Christina Oliver, Michael Sullivan, Patrick Lee, Zachary Derr, Fred Lange, Riley Cutler

Welcome

Mel Lavitt, chairman of the Governor's Office of Economic Development, welcomed everyone to the July 14, 2011 board meeting at USSA. He welcomed Bill Marolt, president of USSA, and the athletes that were able to come and speak with the GOED board members. Bill Marolt gave a brief overview of the facility and what it offers the athletes while they are training in the off-season.

Approval of the June 20, 2011 minutes

MOTION: Jerry Oldroyd moved to approve the minutes of June 20, 2011 GOED Board Meeting. Lowry Snow seconded the motion. Motion carried unanimously.

EDZONE- Czarnowski Display Service, Inc.

Establish an Economic Development Zone for the purpose of supporting the new location of Czarnowski Display Service, Inc. in St. George City, Utah.

MOTION: Jerry Oldroyd moved to approve the creation of an Economic Development Zone for St. George City in support of their letter of request detailing the boundaries of the Czarnowski Display Service, Inc. facility located at 1251 East Commerce Drive. Lowry Snow seconded the motion. Motion carried unanimously.

Motion Picture Policy

The purpose of the Motion Picture Incentive Program (MPIP) is to encourage the use of Utah as a site for the production of motion pictures, television series and made-for-television movies. Utah's natural beauty, scenic wonders and diverse topography provide a variety of magnificent settings from which the motion picture industry can choose to film part, or all, of a production.

In support of the film industry in the State of Utah the Governor and Legislature have approved the MPIP. The State of Utah, with advice from the Governor's Office of Economic Development (GOED) Board of Directors, may provide post-performance financial incentives to production

companies in order to help develop a strong motion picture industry presence in the State that will contribute substantially to improving Utah's economy.

There was a brief discussion on the new motion picture policy. The Governor's Office of Economic Development Board requested that the information was tabled until the following meeting so that they can all have an adequate amount of time to review the material and revisit it with the Incentives Committee before bringing it to the GOED Board. Jerry Oldroyd moved to approve the delay in a policy discussion. Jake Boyer seconded the motion. Motion carried unanimously.

Motion Picture- The American Ride

Project Highlights

- Category: Feature Film (Independent)
- Director: Devin McGinn, Steve Berg
- Producers: Devin McGinn, Steve Berg

Utah Jobs and Revenue

- Estimated Cast: 1
- Estimated Cast Average Salary: \$500/day
- Estimated Crew: 12
- Estimated Crew Average Salary: \$300/day
- Extras: 10
- Extras Average Salary: \$100/day
- Length of Film Production: 22 days
- Estimated Spend: \$900,000

MOTION: Jerry Oldroyd moved to approve for Vineyard Productions a Motion Picture Incentive Program post-performance cash incentive of up to \$135,000 which represents 15% of dollars left in state for the production of 'American Ride'. Kate Riggs seconded the motion. Motion carried unanimously.

- **Incentive offer based on receipt the of a complete MPIF application including a script and proof of financing**
- **Must meet \$200,000 minimum dollars left in state to be eligible for the incentive**
- **Dollars left in state start date no earlier than 30 days prior to the Governor's Office of Economic Development Board of Directors approval**
- **85% of the production company's below the line hires must be Utah Residents or Utah Students**

Motion Picture- The Ranch

Project Highlights

- Category: Feature Film (Independent)
- Genre: Drama
- Director: Devin McGinn, Steve Berg
- Producers: Devin McGinn, Steve Berg

Utah Jobs and Revenue

- Estimated Cast: 3
- Estimated Cast Average Salary: \$268/day
- Estimated Crew: 26
- Estimated Crew Average Salary: \$225/day
- Length of Film Production: 1 day
- Estimated Spend: \$237,700

MOTION: Jerry Oldroyd moved to approve for The Ranch Film, LLC a Motion Picture Incentive Program post-performance cash incentive of up to \$35,600 which represents 15% of dollars left in state for the production of 'The Ranch'. Jake Boyer seconded the motion. Motion carried unanimously.

- **Incentive offer based on receipt the of a complete MPIF application including a script and proof of financing**
- **Must meet \$200,000 minimum dollars left in state to be eligible for the incentive**
- **Dollars left in state start date no earlier than 30 days prior to the Governor's Office of Economic Development Board of Directors approval**
- **85% of the production company's below the line hires must be Utah Residents or Utah Students**

Marshall Moore gave a brief overview of some of the accomplishments that the Motion Picture Advisory Committee, the Incentives Committee, and the GOED Board have had from 2005-present time due to some of the films that have come to Utah. He went over the new state revenue, the amount of production jobs, the amount of movies and series that have been filmed in Utah, and also the specific locations that they were filmed.

EDTIF- Morgan Stanley Smith Barney

Project Highlights

- **Expand financial customer support operation**
- **Timeline: Immediate**
- **Target Industry: Financial Services**
- **Proposed Location: South Jordan**
- **Capital Investment: Estimated at \$2.8 million in personal property and leasehold improvements**

Jobs and Revenue

- **80 new full-time, permanent employment positions created over the life of the project (50 of which meet the 125% average wage criteria over the life of the project) including health benefits**
- **\$11.4+ million in qualified new state wages over 5 years**
- **Qualified new state revenue \$446+ thousand over same period**

MOTION: Jerry Oldroyd recused himself due to a conflict of interest with Morgan Stanley Smith Barney. Lowry Snow moved to approve for MSSB an \$89,000 EDTIF post-performance refundable tax credit which represents 20% of new state revenue for 5 years. Kate Riggs seconded the motion. Motion carried unanimously.

- **Total EDTIF incentive not to exceed \$89,000 EDTIF post-performance refundable tax credit**
- **Annual EDTIF incentive amount based on 20% of qualified new incremental state tax revenues generated and receipted in the previous calendar year**
- **Total incentive not to exceed 20% of qualified new incremental state tax revenues over 5 years with a contractual recapture provision for any excess funds paid to the company**
- **Must meet new qualified employment projections, employee headcount at the stated wage % criteria at 50% for each project year**

- **Annual total project average salary of new employees (not each new position, this is an aggregate annual number) to be at least 125% of the Salt Lake County average wage including company contributed health insurance premiums**
- **Must commit to keep operation in Utah for the length of the incentive period, 5 years.**
- **Incentives are site specific and subject to local incentive participation**
- **Only new state revenue and new jobs created after the GOED Board final approval date are eligible for this incentive**
- **Incentives are provided post-performance upon review and verification of receipted state taxes and performance requirements as outlined above**

Joanna Bell and Dan Shephard from Morgan Stanley Smith Barney represented the company and were available for any questions.

Incentives Update

Christina Oliver, Director of Corporate Recruitment and Incentives, gave an update on the Incentives Program including jobs, revenues, capital investments and new state wages.

EDCU Report

Todd Brightwell, Vice President of Business Development, provided an update on the amount of projects they have in the pipeline year to date. He spoke on the projects themselves and how many jobs will be created per potential project. Most projects that are in the pipeline currently are larger than they have been in the recent past with more potential revenue and more potential jobs available.

Spencer Eccles, Executive Director of the Governor's Office of Economic Development, thanked everyone that attended this meeting, the staff that worked hard to make this happen, the board members for all of their countless hours that they work to help make these incentives possible, and USSA for allowing us to conduct our GOED board meeting in their facility. He spoke briefly on the NGA that is in town right now. There are 4 Chinese Governor's and about 35 Governor's from across the country in town. The Governors are going to be able to view all of what Utah has to offer and create relationships with officials in Utah. Many of our partners, EDCU, USTAR, are speakers at many of the events, allowing them to become educated on the way our state conducts business.

Jeff Edwards, President of EDCU, gave a brief update on the NGA events that he has attended. Many of the consultants that have traveled to Utah during the NGA event have met with Jeff Edwards to learn how Utah is continuing to recruit large corporations to Utah.

Meeting adjourned.